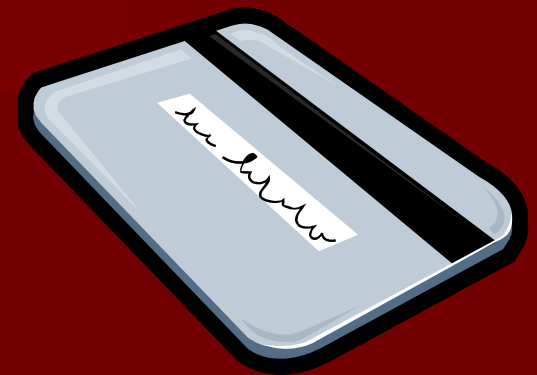


ETHICS RULES REGARDING MISUSE OF THE GOVERNMENT PURCHASE CARD OR TRAVEL CARD



Purpose of Briefing

- Awareness of Ethics Violations when misusing the Government Purchase Card or Travel Card, hereinafter referred to as the “Charge Card”.
- Awareness of Consequences of violating other laws

Background

- Charge Cards empower the user to streamline the acquisition process.
- The Cards also bring responsibility to act properly using Government property.
- In the past, the ability to obligate Government funds was reserved for a few highly trained procurement professionals who were trained regarding the responsibilities inherent in spending taxpayer money
- With the increase in Charge Card usage, many non-procurement personnel are unaware of the restrictions and consequences for not properly spending Government funds.

Background

- This short training module highlights some relevant statutes, regulations and penalties involved when using the Government Charge Card for personal use.
- One purpose of the Government Charge Card is to save the Government money. The Government receives a percentage fee from the Charge Card company by having its personnel use the Government Card.

General Rule

- An employee shall use Government property only for authorized purposes. 5 C.F.R. 2635.704, 31 U.S.C. 1301(a).
- Employees shall satisfy their financial obligations. 5 C.F.R. 2635.809.



Other Laws

- Federal laws and regulations place restrictions on the actions of Government personnel. Intentional use of the Cards for non-approved purchases may be considered an attempt to commit fraud against the United States Government and may subject cardholders to penalties ranging from disciplinary action to criminal penalties.

Penalties

- Intentional use of the Charge Card for other than official Government business may be considered an attempt to commit fraud against the U.S. Government and may result in immediate cancellation of an individual's Charge Card and further disciplinary actions. The cardholder may be held personally liable to the Government for the amount of any non-Government transaction.

Penalties (cont)

- Military members that misuse the Charge Card may be subject to court martial under 10 U.S.C. 892, UCMJ Art. 92. Depending upon the circumstances, other sections of the U.S. Code may apply and may carry additional penalties.

Approving/Certifying Officials are pecuniarily liable for erroneous payments resulting from the performance of their duties (DoD Accountable Officials and Certifying Officers', DoD Directive 7000.15 and Chapter 33, "Accountable Officials and Certifying Officers", Volume 5, DoD Financial Management Regulation). Such liability may be relieved under specific circumstances (31 U.S.C. 3527 and 2538.)

CASE EXAMPLE

- A 30-day suspension is an adequate punishment for a government worker who accidentally charged \$226.12 on a government Charge Card, according to a recent MSPB decision.
- Despite the fact that William F. Quarters paid the government back for his "honest mistake," the board ruled that "misuse of a government Charge Card is a serious offense," and the 30-day suspension, which was dropped in Quarters' first appeal, was reasonable.

CASE EXAMPLE (cont)

- According to the decision, Quarters, a 17-year Veterans Affairs Department employee, admitted that he used his government Citibank card to buy tires for his car on Dec. 26, 2002, but claimed he mistakenly pulled the wrong card from his wallet. He did not realize he had used the government card until a month later when he received the bill, which Quarters, a supervisor, paid with his own money.

CASE EXAMPLE (cont)

- A July 30, 2003, appeal of Quarters' punishment dropped the suspension because he had not used the card on purpose, but the final decision by MSPB stated that Quarters' intent was irrelevant. Because Quarters recently received a 14-day suspension for making inappropriate and threatening statements, the board said the agency had the discretion to treat the misuse of the card as a second offense under agency guidelines.
- *William F. Quarters v. Veterans Affairs Department, Merit Systems Protection Board (BN-0752-03-0129-I-1)*, Sept. 30, 2004 [http://www.mspb.gov/decisions/2004/quarters_bn030129i1.html]

Example 2

- An E-1 abused his Government Charge Card by charging several unauthorized items over the same period. These items included: a sightseeing tour in Greece, green fees, show tickets at the Excalibur Hotel and an unauthorized rental vehicle in Las Vegas, NV, and an aerial sightseeing tour of lighthouses in Bangor, Maine. He was found guilty of card misuse and confined for six months and had to forfeit items purchased.

Example 3

- A military official used the Government Charge Card to purchase sunglasses for the parachute team, when that particular item is prohibited by regulation to be worn during the training. The official received counseling and Charge Card training.

Example 4

- A Lieutenant received a letter of reprimand at a Special Court-Martial when he was convicted of dereliction of duty for negligently failing to ensure purchases made by a subordinate E-5 on his government Charge Card were authorized. Over a 1-year period, the E-5 made over \$100,000 in unauthorized purchases, including tires, stereos, and sporting goods. The E-5 was also court-martialed. He didn't have to pay restitution, but he got about a \$25,000 fine, in addition to around 36 months confinement.

Example 5

- An E-4 was convicted at a General Court-Martial for using his government Charge Card to buy approximately \$20,000 of electronics, jewelry, and other easily resold items. He received 12 months confinement. His pretrial agreement limited the restitution he had to pay to \$10,000.

Example 6

- A retiring military officer directed purchase of \$2500 worth of coins personalized with his name. He included one of the coins in each of his Christmas cards. His Commander reported it when he received his card with an enclosed coin. The officer was flagged and retirement processing stopped until he wrote a check to the Government in the amount of the coins purchased. He was then allowed to retire and take his coins with him.

Summary

Use the Government Charge Card for official purposes only.